does not regulate distributors. AMFI has devised a Code of Conduct for distributors to regulate their sales practices and distributors are required to follow the same.

Incentives to managers of banks

†1639. SHRIMATI SAVITA SHARDA: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under consideration of Government to give incentives to the Managers and Assistant Managers delivering better performance in the branches of the Public Sector Banks;

(b) if so, the details thereof; and

(c) by when a final decision is likely to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) In terms of the managerial autonomy extended to the Public Sector Banks (PSBs) by the Government of India in February, 2005, the PSBs exhibiting good performance are now free to take decisions on the remuneration and compensation of officers and staff by granting them differential pay, linked to performance within the decided pay scales. Such benefits are intended as tangible recognition for a small proportion of personnel in each scale who are genuinely outstanding performers. The State Bank of India with the approval of its Board of Directors has since finalized a scheme for the grant of incentives to its Branch Managers and other senior officers.

Merger among local banks

1640. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state: /

(a) whether it is a fact that Reserve Bank of India favours merger among local banks;

(b) if so, whether RBI has identified certain local banks ideal for merger and consolidation rather than acquisition by foreign players;

(c) if so, the details thereof; and

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†Original notice of the question was received in Hindi.